

Department of Justice
U.S. Attorney's Office
Middle District of Pennsylvania

FOR IMMEDIATE RELEASE
Friday, August 16, 2019

Painting Contractor Sentenced To 46 Months' Imprisonment In Connection With George Wade Bridge Project

HARRISBURG - The United States Attorney's Office for the Middle District of Pennsylvania announced that the painting contractor on the George Wade Bridge Project, Andrew Manganas, age 61, of Canonsburg, Pennsylvania and Panthera Painting, Inc., headquartered in Canonsburg, was sentenced on August 14, 2019, to 46 months' imprisonment followed by five years' on supervised release, by United States District Court Judge Sylvia H. Rambo for theft from union plans, wire fraud, and discharge of pollutants into the Susquehanna River. Judge Rambo also fined Manganas \$20,000 and Panthera Painting, Inc. \$200,000.

According to United States Attorney David J. Freed, Manganas and his company, Panthera Painting, Inc. were charged in a 46-count indictment for crimes related to Panthera's role as a subcontractor on the multi-year George Wade Bridge restoration project. In September 2009, PennDOT awarded a contract for rehabilitation work on the George Wade Bridge to J.D. Eckman as the prime contractor. The George Wade Bridge spans the Susquehanna River on Interstate 81 in Cumberland and Dauphin Counties, Pennsylvania. The Wade Bridge Project was a federal oversight project, meaning that the Federal Highway Administration of the U.S. Department of Transportation conducted reviews and approvals during the project's design and construction phases. The contract amount was \$42,480,434.05 with the FHWA's federal-aid programs reimbursing 90 percent of that cost. The Wade Bridge Project was scheduled to be completed on May 25, 2012, but was extended to September 27, 2013. In October 2009, Panthera was awarded a \$9,875,000 subcontract by Eckman; that contract amount was increased to more than \$10 million. The subcontract awarded to Panthera covered the blasting, resurfacing, and painting of the structural steel on the George Wade Bridge.

The federal oversight and funding of the contract required each contractor and subcontractor to submit Certified Payroll Reports for every worker and every pay period to certify that the appropriate prevailing wage was being paid to each worker. Manganas and Panthera pleaded guilty in January 2018, to submitting false payroll reports that did not accurately reflect the amount workers were being paid. Manganas paid only partial wages in a wage check that did not include overtime pay. He then paid overtime in a separate "per diem" check that did not properly deduct taxes and remittances, some of which were owed to the unions of which the workers were members. By under-reporting wages paid, Manganas defrauded the federal agencies paying for the bridge work. By failing to properly remit wages to the unions, Manganas effectively stole money from the workers and the union. Moreover, Manganas and Panthera pled guilty to knowingly discharging pollutants into the Susquehanna River over the course of three painting seasons of the Project. The contract and environmental laws prohibit the discharge of pollutants without a permit. Panthera and Manganas were supposed to utilize various methods to ensure that pollutants did not enter the Susquehanna River, including construction of "containment" to cover bridge areas being blasted clean and repainted. Containment involved using ropes, cables, fabric, metal pans and waste collection and recycling systems on segments of the bridge being blasted and repainted to prevent pollutants from being discharged into the River. Manganas knew he did not have a permit to discharge pollutants into the River, but Panthera workers, at Manganas' direction and with his knowledge, utilized a variety of methods and equipment to discharge pollutants, including abrasive paint blasting materials, waste paint, and metal, into the Susquehanna River rather than collect them for recycling or disposal as hazardous waste.

“Judge Rambo’s significant sentence in this case recognizes the fraudulent conduct of the defendants, causing financial harm to the taxpayers, and the serious harm caused to our environment by the discharge of hazardous waste into the Susquehanna River, the lifeblood of the Chesapeake Bay,” said U.S. Attorney Freed. “This result sends a strong message to government contractors everywhere that fraudulent acts will be vigorously and aggressively investigated and charged. I commend our partners at the FBI, EPA, Department of Labor and Department of Transportation for their dedication and cooperation throughout this investigation.”

“Andrew Manganas enriched himself by cheating his workers and their unions, and defrauding the U.S. government,” said Michael T. Harpster, Special Agent in Charge of the FBI's Philadelphia Division. “The FBI and our partners will continue to investigate and bring to justice those playing fast and loose with federal funds.”

“Clean, fresh water is one of Pennsylvania’s greatest resources,” said Jennifer Lynn, Special Agent in Charge of EPA's criminal enforcement program in the Middle Atlantic States. “The sentences in this case show that federal contractors will be called to account if they ignore laws aimed at protecting human health and the environment.”

“Andrew Manganas submitted fraudulent certified payrolls to the U.S. Department of Labor (DOL) stating employees were paid the required prevailing wages when, in fact, the employees were paid less in violation of the Davis-Bacon Act and Related Acts. We will continue to work with our law enforcement partners to protect the integrity of DOL programs and to ensure workers are paid proper wages for the work they perform,” said Marc Walker, Acting Special Agent-in-Charge, Philadelphia Region, U.S. Department of Labor Office of Inspector General.

“Today’s sentencing of Andrew Manganas and Panthera Painting, Inc., for wire fraud, theft from union plans, and discharge of pollutants into the waterways sends a strong message that such activity will not be tolerated,” said Douglas Shoemaker, US DOT-OIG Regional Special Agent-in-Charge. “Together with our law enforcement and prosecutorial colleagues, we remain steadfast in our commitment to ensure the integrity of Federal-aid programs and protect the public and the environment from illegally discharged pollutants.”

The case was investigated by the U.S. Department of Labor, Office of Inspector General, the U.S. Department of Transportation, Office of Inspector General, the U.S. Environmental Protection Agency, Criminal Investigation Division, and the Federal Bureau of Investigation. Assistant U.S. Attorney James T. Clancy and Special Assistant U.S. Attorney Martin Harrell of EPA prosecuted the case.